

1 A. Yes, I've spoken quite a bit more with
2 him than obviously Ellis.

3 Q. How often would you say you speak to
4 Mr. Lokting?

5 A. Probably once a quarter.

6 Q. Do these reports go to anyone else
7 before they go to Mr. Lokting?

8 A. No.

9 Q. Does Mr. Lokting typically contact you
10 or do you contact him?

11 A. I probably initiate it. There are
12 deadlines involved and I just try to manage my
13 schedule.

14 Q. What is your purpose for contacting
15 Mr. Lokting?

16 A. To prompt him to get the footnotes
17 ready, to let him know that it's coming.

18 Q. Has he ever made or suggested changes
19 to the report?

20 A. He has not suggested changes to any of
21 the numbers that are presented. The numbers more
22 or less are what they are. But he does make
23 revisions as I said to the footnotes.

24 Q. Has he ever questioned any of the
25 numbers?

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1 A. He asks for I'd say explanations of the
2 numbers, what is this number, accounts receivable
3 went up, why did it go up, inventory went up, why
4 did it go up. So he does a review of the
5 statements.

6 Q. Does he have questions which illustrate
7 that he's done an extensive review of the
8 statements?

9 A. I would say so. He picks up on things
10 pretty quickly.

11 Q. Do you know if he has any financial
12 background?

13 A. I don't know, but it appears that he's
14 familiar with it and comfortable with it.

15 Q. Do you know if Ellis Thompson
16 Corporation has any independent CPA or accounting
17 people look at the statements?

18 A. I don't know that for sure. I mean
19 there's taxes prepared by -- I'm sure Ellis has a
20 CPA doing his taxes, so I'm sure there's some
21 review there.

22 Q. Has Mr. Lokting ever given you any
23 instructions?

24 A. I'm sure, I mean that's a very broad
25 question.

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1 Q. Have you ever had to take any action
2 based upon something Mr. Lokting has told you to
3 do?

4 A. Like fax something to him? Sure.
5 Change anything in the statements or anything
6 like that, no.

7 Q. Do you have any duties or
8 responsibilities which require Mr. Thompson's
9 prior approval?

10 A. I won't release the statements until
11 I've heard from David Lokting to do so. You
12 know, again I'm not at the operating level where
13 that type of preapproval is required other than
14 the external financial statements.

15 Q. When you say release the statements,
16 you mean release them to where?

17 A. To the bank.

18 Q. So you do have Mr. Lokting or
19 Mr. Thompson's approval prior to releasing
20 statements to the bank?

21 A. Yes.

22 Q. What bank does Mr. Thompson have his
23 loan from?

24 A. PNC.

25 Q. Which is Provident National?

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1 A. Yes.

2 Q. Do all the other Comcast systems use
3 this same bank?

4 A. We use them to various degrees. I
5 don't believe PNC has our debt.

6 Q. Does it have Mr. Thompson's debt?

7 A. PNC?

8 Q. Yes.

9 A. Yes. Actually Toronto Dominion is
10 where our debt is.

11 Q. And the our you're referring to is
12 Comcast?

13 A. Yes.

14 Q. Do you have any check signing authority
15 for Ellis Thompson Corporation?

16 A. No.

17 Q. Do you in any way review the checks
18 which are signed for Ellis Thompson Corporation?

19 A. No.

20 Q. To your knowledge is that done by the
21 controller in Wilmington?

22 A. Yes, yes, very definitely.

23 Q. Does the controller in Wilmington send
24 you information in order to prepare your report
25 about the Atlantic City system?

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1 A. Yes, he does, he sends me balance
2 sheet, income statement, trial balance.

3 Q. What type of review do you do of that
4 material?

5 A. In the process of preparing financial
6 statements, if something looked awry, if you
7 will, I certainly would pick up on it. As part
8 of looking at their internal things, there's an
9 operations review that takes place in Wilmington
10 for the three Wilmington markets, if you will.
11 That's where the information is scrutinized. At
12 my level it would be sort of an after-the-fact
13 kind of thing, the preparation of the
14 statements.

15 Q. Do you have any employees who report
16 directly to you?

17 A. Yes.

18 Q. How many?

19 A. Eight or nine, direct and indirect
20 reports..

21 . Have you ever had any discussions with
22 these people about the Atlantic City system?

23 A. Sure.

24 Q. And what have you told them about the
25 Atlantic City system?

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1 A. Again over the years I've had many
2 discussions with them about the Atlantic City
3 system.

4 Q. More specifically have you ever had any
5 discussions with them about the ownership of the
6 Atlantic City system?

7 A. I would have to say yes, although I
8 don't recall. Again it's pretty common knowledge
9 that we don't own the system, Ellis does.

10 Q. Who do you report to?

11 A. Anna.

12 Q. Have you ever attended an Ellis
13 Thompson Corporation quarterly meeting?

14 A. No.

15 MR. WEBER: Thank you, Mr. Sauder.
16 That's all I have.

17 MR. GURMAN: No questions.

18

19

20

21

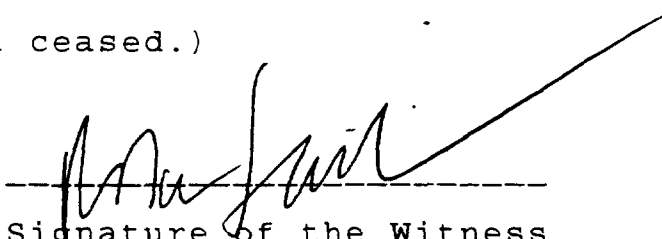
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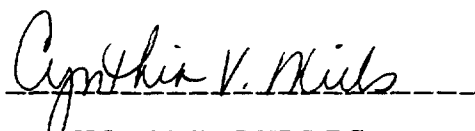
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25

1 (Thereupon, at 12:55 p.m., the taking
2 of the instant deposition ceased.)
3

4 
5 Signature of the Witness
6

7 SUBSCRIBED AND SWORN to before me this 27th
8 day of June, 1995.
9

10 
11 NOTARY PUBLIC

12 My Commission Expires
13

14 NOTARIAL SEAL
15 CYNTHIA V. SYLVESTER, Notary Public
16 Wayne, Chester County
17 My Commission Expires April 19, 1997
18
19
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21
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CERTIFICATE OF REPORTER

UNITED STATES OF AMERICA) ss.:

DISTRICT OF COLUMBIA)

I, JAN A. WILLIAMS, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken by me to the best of my ability and thereafter reduced to typewriting under my direction; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken, and further that I am not a relative or employee of any attorney or counsel employed by the parties thereto, nor financially or otherwise interested in the outcome of the action.

A handwritten signature in dark ink, appearing to read 'Julius', is written over a horizontal line.

*Notary Public in and for
the District of Columbia*

My commission expires: 03-31-97

ERRATA SHEET FOR THE TRANSCRIPT OF:

Notice Date: 04/26/95
 Case Name: In Re: Ellis Thompson Corporation
 Case Number: 14261-CL-P-134-A-86
 Dep. Date: 04/25/95
 Deponent: Jeffrey E. Smith
 Place: Washington, D.C.

CORRECTIONS:

<u>Page</u>	<u>Line</u>	<u>Now Reads</u>	<u>Should Read</u>	<u>Reasons Therefore</u>
6	14	...associate of...	...associate at...	Clarification
8	17-18	At this time only one which is not separately owned.	At this time only one of which is separately owned.	Clarification
15	12	...for sometime in 1994.	...for some time during 1994.	Clarification
19	7-9	...previously owned by Mid- Communications and Kingdom News. Philadelphia, Wilmington, Mercer, are owned by Comcast also, Cumberland County is...	...previously owned by Midland Communications, and Kingdom Hughes. Philadelphia, Wilmington, Mercer, are owned by Comcast. Cumberland County is...	Clarification
21	7	...National calling Network delivery...	...national wireless call delivery...	Clarification
21	12	...on his behalf as...	...on Ellis Thompson Corporation's behalf as...	Clarification

ERRATA SHEET FOR THE TRANSCRIPT OF:

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<u>Page</u>	<u>Line</u>	<u>Now Reads</u>	<u>Should Read</u>	<u>Reasons Therefore</u>
21	15	...and then passed them to him...	...and then to pass them to him...	Clarification
21	19	...with Signal in which that contract...	...with The Signal. That contract...	Clarification
21	24	...Signal	The Signal	Clarification
23	12	...played the role...	...play the role...	Clarification
23	15	...then afterwards primarily...	...then at the meetings primarily...	Clarification
23	23	...Mr. Watson or Ms. Hillman...	...Mr. Watson, or Ms. Hillman...	Clarification
28	4	I believe eight.	I believe eight, as of December, 1994. Eleven now.	Clarification
29	13-14	...to speak in too much of a generally there.	...to speak too general- ly there.	Clarification

ERRATA SHEET FOR THE TRANSCRIPT OF:

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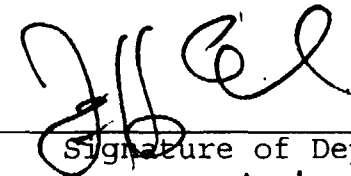
<u>Page</u>	<u>Line</u>	<u>Now Reads</u>	<u>Should Read</u>	<u>Reasons Therefore</u>
31	6	...times where those...	...times when those...	Clarification
32	20	Again, in addition...	In addition...	Clarification
34	21	And I am consistently reminding...	And I am regularly reminding...	Clarification
34	23	That's not to say that one disregards...	That's not to say that anyone disregards...	Clarification
35	4	There was one instance...	No. There was one instance...	Clarification
35	12	...in every system...	...in every system of ours...	Clarification
41	12	...manager of the Wilmington system at that time...	...manager of the Wilmington system	Clarification
41	22	...in Cranberry, New Jersey.	...in Cranbury, New Jersey.	Clarification

ERRATA SHEET FOR THE TRANSCRIPT OF:

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CORRECTIONS:

<u>Page</u>	<u>Line</u>	<u>Now Reads</u>	<u>Should Read</u>	<u>Reasons Therefore</u>
42	13	...my tenure I have...	...my tenure we have...	Clarification



Signature of Deponent

6/14/95

Date of Signature

1 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

2 WASHINGTON, D.C. 20554

3 CC DOCKET NO. 94-136

4 - - - - - X

5 In re Application of :

6 ELLIS THOMPSON : File No.

7 CORPORATION : 14261-CL-P-134-A-86

8 - - - - - X

9 Washington, D.C.

10 Tuesday, April 25, 1995

11 Deposition of JEFFREY E. SMITH, a
12 witness herein, called for examination by counsel
13 for Federal Communications Commission in the
14 above-entitled matter, pursuant to agreement, the
15 witness being duly sworn by JAN A. WILLIAMS, a
16 Notary Public in and for the District of
17 Columbia, taken at the offices of Gurman, Kurtis,
18 Blask & Freedman, Suite 500, 1400 16th Street,
19 N.W., Washington, D.C., 20036, at 9:10 a.m.,
20 Tuesday, April 25, 1995, and the proceedings
21 being taken down by Stenotype by JAN A. WILLIAMS
22 and transcribed under her direction.

23

24

25

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1 APPEARANCES:

2

3 On behalf of The Wireless Telecommunications
4 Bureau of the Federal Communications
5 Commission:

6 JOSEPH PAUL WEBER, ESQ.

7 TERRENCE E. REIDELER, ESQ.

8 The Wireless Telecommunications Bureau
9 Federal Communications Commission

10 1919 M Street, N.W., Room 644

11 Washington, D.C. 20554

12 (202) 418-1317

13

14 On behalf of Ellis Thompson Corporation:

15 STEVE D. LARSON, ESQ.

16 Stoll, Stoll, Berne, Lokting &
17 Shlachter, P.C.

18 209 Southwest Oak Street

19 Portland, Oregon 97204

20 (503) 227-1600

21

22

23

24

25

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1 APPEARANCES: (Continued)

2

3 On behalf of American Cellular Network
4 Corp.:

5 LOUIS GURMAN, ESQ.

6 Gurman, Kurtis, Blask & Freedman

7 Suite 500

8 1400 16th Street, N.W.

9 Washington, D.C. 20036

10 (202) 328-8200

11 and

12 ALLAN S. HOFFMAN, ESQ.

13 Suite 500

14 1400 16th Street, N.W.

15 Washington, D.C. 20036

16 (202) 265-3165

17

18 On behalf of Telephone & Data Systems, Inc.:

19 HERBERT D. MILLER, JR., ESQ.

20 Koteen & Naftalin

21 1150 Connecticut Avenue

22 Washington, D.C. 20036

23 (202) 467-5700

24

25

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1 P R O C E E D I N G S

2 Whereupon,

3 JEFFREY E. SMITH,

4 business address at Comcast Cellular

5 Communications, Inc., 480 E. Swedesford Road,

6 Wayne, Pennsylvania, 19087-1867, was called as a

7 witness by counsel for Federal Communications

8 Commission, and having been duly sworn by the

9 Notary Public, was examined and testified as

10 follows:

11 EXAMINATION BY COUNSEL FOR

12 FEDERAL COMMUNICATIONS COMMISSION

13 BY MR. WEBER:

14 Q. Good morning, Mr. Smith, my name is

15 Joseph Weber and I represent The Wireless

16 Telecommunications Bureau of the FCC.

17 Could you please state your name for

18 the record.

19 A. Jeffrey E. Smith.

20 Q. What is your business address?

21 A. 480 East Swedesford Road,

22 S-w-e-d-e-s-f-o-r-d, Wayne, Pennsylvania, 19087.

23 Q. And what is your occupation?

24 A. I am vice-president and general counsel

25 of Comcast Cellular Communications, Inc., and

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1 deputy general counsel of Comcast Corporation.

2 Q. What is your educational background?

3 A. I received my bachelor's degree from
4 Brown University in 1984 and my law degree from
5 Harvard in 1987.

6 Q. How long have you been in your current
7 position?

8 A. I have been deputy general counsel of
9 Comcast since April of 1992 and vice-president
10 and general counsel of Comcast Cellular since
11 June of '94.

12 Q. And what was your position prior to
13 your current position?

14 A. I was an associate of the law firm of
15 Drinker, Biddle & Reath in Philadelphia.

16 Q. What are your duties and
17 responsibilities?

18 A. I act in the capacity of counsel to the
19 cellular division primarily of Comcast
20 Corporation, advising them on all aspects of
21 contract negotiation, litigation management,
22 similar activities.

23 Q. Who do you report to?

24 A. I report to Stanley Wang who is general
25 counsel of Comcast Corporation and report on a

1 dotted line basis to Don Harris who is president
2 of Comcast Cellular.

3 Q. Was it one of these two individuals
4 that hired you?

5 A. Stanley Wang.

6 Q. Does Mr. Wang report to Mr. Harris?

7 A. No. Mr. Wang reports to Brian Roberts.

8 Q. And who is he?

9 A. President of Comcast Corporation.

10 Q. Do any employees report to you?

11 A. Other than my secretary, no.

12 Q. Now, in your capacity under Comcast
13 Cellular, how many cellular systems are within
14 your jurisdiction?

15 A. We treat them as -- Comcast Cellular
16 has a number of subsidiaries, I have to count.
17 Eight. Is that correct? Nine.

18 MR. GURMAN: Aurora in Illinois,
19 Joliet.

20 THE WITNESS: Dover, Wilmington.

21 MR. GURMAN: Long Branch, nine.

22 BY MR. WEBER:

23 Q. Is Atlantic City one of these nine?

24 A. No, it is not.

25 Q. So these nine are ones that Comcast

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1 actually owns itself?

2 A. Yes, either owns controlling interest
3 or are wholly owned subsidiaries of Comcast
4 Cellular.

5 Q. Do you do any work which relates to the
6 Atlantic City cellular system?

7 A. Yes.

8 Q. And in what capacity is that?

9 A. Comcast Cellular serves as management
10 agent to Ellis Thompson Corporation and, in
11 connection with performance under that management
12 agreement, I provide services to Comcast
13 Cellular.

14 Q. How many systems does Comcast Cellular
15 have management agreements with in which you do
16 work for the cellular system?

17 A. At this time only one which is not
18 separately owned. There are internal management
19 agreements, but Ellis Thompson Corporation is the
20 only independent system that we manage.

21 Q. So is it correct to say then that you
22 do work relating to ten different cellular
23 systems?

24 A. Yes.

25 Q. What are your duties and

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1 responsibilities as to the Atlantic City system?

2 A. Primarily to ensure our compliance with
3 the management agreement, to respond to questions
4 regarding how we should deal directly with --
5 deal with Ellis Thompson Corporation, to
6 interface between David Lokting and Comcast
7 Cellular.

8 MR. GURMAN: Can I interrupt for one
9 second. Just in terms of a point of
10 clarification, referring to Comcast Cellular, the
11 entity that is actually managing it is American
12 Cellular Network Corp. doing business as Comcast
13 Cellular. And then there's a parent company
14 that's Comcast Cellular Communications, Inc..

15 THE WITNESS: I'm referring to Comcast
16 Cellular as overall for all the entities.
17 Actually the management agreement is with Amcell
18 of Atlantic City, Inc. And so technically the
19 relationship is there, although --

20 BY MR. WEBER:

21 Q. Why don't you explain the relationship
22 between Amcell and Comcast.

23 A. Comcast Cellular Communications, Inc.,
24 is the parent corporation of American Cellular
25 Network Corp. which is the parent corporation of

1 Amcell of Atlantic City, Inc.

2 Q. And each is a wholly owned subsidiary?

3 A. Each is a wholly owned subsidiary.

4 Q. Do you negotiate contracts with others
5 on behalf of Comcast for the Atlantic City
6 system?

7 A. No.

8 Q. Have you ever negotiated any contract
9 on behalf of Comcast for the Atlantic City
10 system?

11 A. No.

12 Q. And here, when I'm referring to
13 Comcast, I'm also referring to Amcell. Any one
14 of the parent or the subsidiaries?

15 A. No.

16 Q. Did you play any role in the
17 negotiation of the management contract for the
18 Atlantic City system?

19 A. No.

20 Q. Do you know Ellis Thompson?

21 A. Yes.

22 Q. And who is he?

23 A. Ellis Thompson is the wholly owned --
24 is the shareholder of Ellis Thompson Corporation
25 which is the licensee of the system.

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1 Q. Do you report to him?

2 A. No.

3 Q. Are you required to seek his approval

4 on any matters?

5 A. Yes.

6 Q. What matters?

7 A. Do you mean me directly?

8 Q. You directly.

9 A. No, I do not directly seek his approval
10 in any matters.

11 Q. Who at Comcast does directly need his
12 approval on matters?

13 A. With respect to the Atlantic City
14 system and the operations there, I suppose all of
15 us obtain his approval. In terms of any
16 reporting structure, there's no one who reports
17 directly to him on any matter.

18 Q. Do any people report directly to him
19 through David Lokting?

20 A. Yes, we all work through David Lokting
21 and have independent contact with Ellis Thompson
22 with respect to approval of those items that
23 pertain to the Atlantic City system.

24 MR. WEBER: I'd like to have this first
25 exhibit marked as Smith Exhibit 1. For the

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1 record this is a multipage document titled at the
2 top Agreement with Bates stamps running AM 144261
3 through AM 144300.

4 (Smith Exhibit No. 1 was
5 marked for identification.)

6 BY MR. WEBER:

7 Q. Have you ever seen this document
8 before, sir?

9 A. Yes.

10 Q. And can you tell me what it is?

11 A. This is the agreement between Amcell of
12 Atlantic City and Ellis Thompson Corporation and
13 Ellis Thompson regarding initially the
14 construction, turnkey construction of the
15 cellular system, and subsequently the management
16 of that system on his behalf.

17 Q. To your knowledge did Mr. Thompson or
18 his counsel play any role in the negotiation of
19 this contract?

20 A. To my knowledge they did, yes.

21 Q. Has there been any significant
22 amendments or modifications to the contract since
23 it was signed?

24 A. Only one since -- other than the three
25 reflected here. And we have not commemorated it

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